Report of the Secretary of Health and Human Resources

2003 PROGRESS REPORT

A Plan For Improving Services And Containing Costs In The Treatment And Care Of Children Under The Comprehensive Services Act For At-Risk Youth And Families

October 15, 2003

Introduction

With the passage of CSA in 1992, the General Assembly altered the administrative and funding systems for providing services to at-risk youth and their families. Specifically, eight funding streams from five state agencies were combined to finance the program. The overarching goal of the program was to promote the treatment of emotionally disturbed children in the least restrictive environment through interagency collaboration at the State and local levels.

Concerns associated with the total general fund cost of the program (over $194 million in fiscal year 01), and the average rate at which these costs have been increasing (approximately 10 percent per year) prompted the 2002 Virginia General Assembly to pass budget language directing the Secretary of Health and Human Resources to develop and implement a plan for improving services and containing costs in the treatment and care of children served through the Comprehensive Services Act (CSA).

To develop this plan, the Secretary appointed a Steering Committee consisting of legislators, public and private stakeholders, and state and local partners. From this Committee, separate task groups were assembled and assigned the key issues specified in the 2002 Budget (Item 298.D) that provided the framework of the Action Plan. Each group examined the relevant CSA policies for their issue area and made recommendations to the Steering Committee for future action.

The Steering Committee's 2002 report to the General Assembly and Governor contained *a Blueprint for Change in CSA* that summarized key aspects of the program earmarked for reform. To provide the progress report requested in the 2003 Budget (Item 298.D.2), we have examined and provided an update on each of those key reform areas. Additionally, the *Blueprint for Change*, located in the back of the progress report, has been updated and provides a quick overview of the progress on each recommendation.

The Revision of Allocation Methodologies, Reimbursement Procedures, and Cost Sharing Formulas for Localities

Brief Statement of the Issue

Under CSA, each locality traditionally receives an initial base allocation. Because base allocations are often not sufficient to serve their mandated populations, many localities must request supplemental funds each year and present additional data, as defined in budget language, to justify this request to the Office of Comprehensive Services (OCS). A key issue considered by the Steering Committee was whether a larger percent of dollars could be shifted from the supplemental pool into the initial base allocation without exposing the State to any undue fiduciary risk. It was anticipated that, over time, this policy change would greatly reduce the number of supplemental submissions.

2002 Recommendations

Near Term Action:

- Freeze supplemental funding at the FY 03 level and place any new dollars appropriated into the base allocation.
- Separate child specific data from the supplemental process with the understanding that the data collection will be addressed to increase the quantity and specificity of data provided to the state.

Long Term Action:

- Complete a systemic study of the allocation formula and consider creating an efficiency incentive related to the base allocation.
- Consider elimination of the local match for Medicaid cases. (This is not feasible in the current fiscal climate).

2003 Update:

- The 2003 Budget (Chapter 1042) held steady the general funds set aside for the state share of supplemental appropriations (Item 299 C.2.a.). New general fund dollars were appropriated into the base allocation.
- Supplemental request data has been folded into the new CSA database, which will be discussed later in this report.
- Long term recommendations will be considered in the next biennium as appropriate.

The State Organization and Structure of CSA

Brief Statement of the Issues:

CSA state-level management was predicated on the concept of inter-agency cooperation and local control. As a result, no one agency is responsible for policy development, program management, and oversight responsibilities for the various populations served. The program has grown in size and complexity and reexamination of the state management structure and related stewardship issues appeared prudent.

2002 Recommendations

- Evolving recommendations focused on moving the State Executive Council (SEC) into more futuristic, strategic planning endeavors and to provide greater local orientation to the State and Local Advisory Team (SLAT).

- Develop a legislative package to include the following changes:

    - The SEC to be chaired by the SHHR or a designated Deputy SHHR.
    - The SLAT to be chaired by a local government representative.
    - As with any state agency, dispute resolution should be through SHHR and the Governor.

2003 Update:

- Legislation adopted by the 2003 General Assembly accomplished the first two recommendations above.

- The third recommendation was accomplished administratively.

- The SEC is in the process of discussing the transition to a futuristic, interagency policy and planning focus and of providing direction to the SLAT on locally oriented projects.

Strategies for Increasing Collection of Federal Reimbursement

Brief Statement of the Issues

Funding for CSA is a state-local partnership. In FY 01 and FY 02, the local share averaged approximately 37 percent. Since the inception of the program, CSA has been defined as the final funding source, to be used only after other resources (programmatic and fiscal) were explored. Use of other funding sources saves both state and local dollars. While efforts have been made to secure additional Medicaid and Title IV-E dollars, more work was deemed necessary to assure greater use of federal funding sources available to replace state and or local funding.

2002 Recommendations

Near Term Action

- Expand the scope of Medicaid coverage.
- Determine what barriers exist to impede local use of Title IV-E and determine if the scope of use can be expanded further.
- Continue and expand training for State and local agencies related to the use of: EPSDT, Medicaid, and Title IV-E.

Long Term Action

- Examine the feasibility of requiring CSA service providers to become Medicaid certified as a condition of participating in the CSA program.

2003 Update

- The Department of Medical Assistance Services is in the process of implementing changes authorized by the 2003 Budget to include additional Treatment Foster Care case management and additional residential coverage with two levels of step-down care.
- The Department of Social Services has worked to enable localities to claim certain administrative and maintenance expenditures that were not previously allowed under Title IV-E.
- Additionally, the 2003 Budget directed the use of Medicaid providers by localities whenever available and appropriate.

- Trainings on Medicaid/FAMIS, Title IV-E and CSA related topics are scheduled or are in the planning stages. These trainings are offered through the collaborative efforts of the OCS and CSA partner agencies.

- Additionally, the Technical Assistance Advisory Group (TAG), comprised of a number of diverse stakeholder representatives, continues to provide input to the OCS on an on-going basis regarding technical assistance and training needs.

Managing, Evaluating and Monitoring Care in CSA

Brief Statement of the Issues

A hallmark of CSA is the significant authority vested with the local governments for the operation and management of the program. Questions have surfaced about the degree and extent to which localities are using the State's uniform assessment instrument and utilization management process. This has led to questions about the effectiveness of the program. Due to these factors and the absence of a comprehensive data system, the State had been unable to adequately assess the appropriateness and quality of care that children are receiving through the program.

2002 Recommendations

Near Term Action:

- The OCS will facilitate the provision of additional utilization management training for localities, as well as training to support the proper use of the Child and Adolescent Functional Assessment Scale (CAFAS™) assessment instrument.

- Localities should continue using the CAFAS™ uniform assessment instrument but with 8 versus 5 scales. This will require revision on the Levels of Need Chart, which contains guidelines for services/treatment. High Priority.

- A designee of the Secretary of Health and Human Resources will conduct an evaluation of the alternatives to the CAFAS™ uniform assessment instrument currently used in CSA, to include the Childhood Severity of Psychiatric Illness (CSPI) assessment instrument.

2003 Update:

- The OCS continues to provide consultation to localities regarding utilization management and review.

- An updated Model Utilization Management Plan has been distributed to localities.

- Instructions for changing to the 8 scale CAFAS™, including a revised Levels of Need Chart, have been provided to localities by the OCS.

- Fall training has been scheduled with the author of the CAFAS™ assessment instrument.

- As alternatives to this instrument were considered, as well as the training and costs of moving to another instrument, CSA partners agreed that a change to another instrument should be postponed. Implementation of the new data-set will bring more knowledge on the use of the CAFAS™ and the risk behavior factors it provides. The resulting analysis will enable better informed decisions in the future as to continued use of this instrument.

Managed Care As An Option For CSA

Brief Statement of the Issue

A significant amount of interest has been expressed in the concept of care management as a basis for curbing CSA expenditure growth. In the strictest sense, a statewide CSA managed care program would vest a third party -- typically a private corporation -- with the authority needed to manage the provision of mental health services to children in the program.

Understandably, there were a number of concerns and questions about the appropriateness of a managed care model for CSA. For example, local agencies pointed out that they face clear statutory requirements for providing sum sufficient services to certain children in CSA. Shifting the legal responsibility for the care of these children to a private managed care entity would be an untested and potentially risky strategy.

Despite these concerns, many familiar with CSA acknowledged that questions about the local management of CSA funded services, lingering concerns about the utilization review process, and the persistent cost increases in the program require that some aspects of care management be given more consideration.

2002 Recommendations:

Long Term Action:

- A designee of the Secretary of Health and Human Resources (SHHR) will lead a study of options existing in care management technologies, which are appropriate to Virginia's system of care, to assist with the management of CSA.

2003 Update:

- Although this was a long term action item, representatives of SHHR and OCS moved forward to meet with providers to discuss a care management approach.

- Additionally, a local government strategy group was formed to assist with identifying issues, concerns and difficulties in serving youth in the CSA and for proposing solutions.

- The group has met on three occasions to explore care management technologies, best practices, and other quality of care and expenditure improvements. Future meetings are also planned.

- With the ability to monitor more closely the services and costs of CSA through the recently implemented data-set, it appears we will be better able to understand the nuances of program management.

- Continued review of potential care management technologies that may benefit service delivery to children and their families will remain an ongoing project.

Assessment and Development of Negotiated Statewide Contracts for Services Purchased by State and Local Agencies

Brief Statement of the Issue

Currently, the Code of Virginia (§2.2-5214) requires that the "rates paid for services purchased pursuant to this chapter shall be determined by competition of the market place and by a process sufficiently flexible to ensure that family assessment and planning teams and providers can meet the needs of individual children and families referred to them." Both the Joint Legislative Audit and Review Commission's (JLARC) Review of CSA (1998) and the Department of Planning and Budget's (DPB) Review of the Budget for CSA (2000) noted the relationship of provider rates/local level negotiations and CSA costs.

2002 Recommendations

Near Term Action:

- Development of a standardized contract (by a diverse stakeholder group led by the OCS) to be used statewide with allowance for addenda by individual localities.

- Provision for "unbundling" of services. This is to be done in conjunction with efforts to develop standardized contracting.

Long Term Action:

- On-going enhancement of Service Fee Directory (an electronic directory developed to assist providers in sharing information regarding services and fees) to enable localities to be better informed purchasers of service. The directory is currently located on the CSA web site. High Priority.

2003 Update

- A group of stakeholders came together to develop a standardized contract to assist localities and providers in working together to better serve the Commonwealth's children. While use of this instrument is not mandated, it will serve as a basic tool to help localities and providers understand where we are and where we are going as a system or with an individual child.

- The web-based service fee directory has been updated to include licensing information as well as discrete service and rate information.

- Additional work on unbundling of services continues through a Department of Social Services federal maximization stakeholder group.

- DMAS is coordinating unbundling of services with the expansion of residential and case management services previously mentioned.

Coordinated Collection Of Information Among State Agencies

Brief Statement of the Issue:

There has been on going concern about the limited amount of data available on children served through CSA. The Office of Comprehensive Services (OCS) collects limited demographic data on the CSA population. A considerable amount of data exists on the children in CSA in various state and local agencies. However, these data are in both hard copy and electronic files. There is no consistency around the types of data that are automated. Further, the absence of unique identifiers for CSA cases, and the lack of compatibility across the various legacy systems make data sharing an expensive and technologically challenging proposition.

2002 Recommendations

Near Term Action**:**

- Develop interim data reporting to expand quantity of data (but not data elements) that is currently collected by OCS. The expectation will be that data currently collected only on children involved in supplemental funding requests will now be submitted on all CSA children on a point in time basis. It is anticipated that reporting requirements will be combined to reduce state and local administrative burden. This project will be led by the Office of Comprehensive Services in collaboration with technical experts and local governments.

Long Term Action:

- The Office of the Secretary of Health and Human Resources will take the lead in effort to further explore and resolve issues related to the establishment of an automated information system containing data on all children who receive CSA services. This will be an expansion of the project involving state agency MIS Directors, related to coordinated collection of information among state agencies.

2003 Update

- The task group formed as part of the 2002 SHHR Study and comprised of local government representatives, state agency MIS Directors, OCS representatives and a Deputy Secretary continued to meet in 2003.

- As a result, a new data-set for CSA was implemented on July 1, 2003. Some 35 data elements and additional data fields will be reported to the state on a quarterly basis. The first report is due on or before October 31, 2003.

- Included will be the ability to look at child-specific costs and service information.

- There is an optional reporting capability between an expanded web-based reporting system and an electronic data file submission designed to accommodate specific programs used by some localities.

- An interface of the CSA data-set with the DSS data warehouse will provide the framework for consolidating state agency collection of child specific data.

Projections of Caseloads, Service Needs, and Costs

Brief Statement of the Issue

While projections of caseload and costs have been accurate over the years, there has been a lack of sufficient advanced integrated data to justify an increased initial appropriation. As has been discussed, the range and type of program information collected from localities is quite narrow. This greatly limits the prospect of successful forecasting. One task group was charged with considering the data and trend analysis necessary to project caseloads, service needs and costs in a way that will enable public policy makers to be proactive in addressing the challenges in CSA.

2002 Recommendation

Long Term Action

- All work on forecasting should be held in abeyance until CSA information management needs are appropriately addressed. The chair of the task group that considered projections of caseloads, service needs and costs will be asked to serve as a resource to the group considering technical processes. In turn, DPB will be kept apprised of changes as they occur and be prepared to begin taking advantage of increased forecasting capabilities, particularly as improved data become available through the project discussed above, in conjunction with the six-year financial plan.

2003 Update

- The long-term recommendation will be revisited. The first report generated by the new data-set is not due from localities until October 31, 2003. A meeting was held in the summer of 2003 with DPB to discuss progress and forecasting capabilities.

A Blueprint For Change In CSA Status As of June 30, 2003			
Action	**Next Step(s)**	**Lead Responsibility**	**Status**
Near Term-High Priority			
Freeze supplemental funding at the FY 03 level and place any new dollars appropriated into the base allocation.	Prepare budget amendment	Office of Comprehensive Services	**Completed with language in the Appropriations Act, Chapter 1042, Item 299**
Develop interim data reporting to expand quantity of data (but not data elements) that is currently collected by OCS. Will expect data currently collected to be submitted on all CSA children on a point in time basis. Will attempt to blend reporting requirements.	Work with technical experts and local representatives to develop the reporting methodology	Office of Comprehensive Services	**Reporting is now done web based. While working closely with the SHHR Information Technology Work Group, a minimum data set for CSA has been developed and approved. The data set was implemented in July 2003, using both a web based application or local government direct interface from existing software.**
Upon the adoption of the above referenced interim data reporting process, separate child specific data from the supplemental process.	Following completion of the above action and provision of training to localities, discontinue current supplemental data reporting process.	Office of Comprehensive Services	**Begins for FY 04, with the implementation of the above item**
Expand the scope of Medicaid coverage, to include examination of FAMIS.	SHHR to direct DMAS to consider expanded options recommended by the task group	Department of Medical Assistance Services	**Completed in Chapter 1042 budget; DMAS staff are working to operationalize these requirements**
Determine what barriers exist to impede local use of Title IV-E and determine if the scope of use can be expanded further.	SHHR to direct DSS to consider barriers and potential areas for expansion	Department of Social Services	**DSS finalizing information document summarizing and defining eligible Title IV-E expenditures. Training to subsequently be scheduled.**

A Blueprint For Change In CSA Status As of June 30, 2003			
Action	**Next Step(s)**	**Lead Responsibility**	**Status**
Near Term-High Priority cont.			
Coordinating state agencies training such as but not limited to: EPSDT, use of CAFAS in service planning, and negotiating with providers.	Utilizing the existing, develop and provide training that will meet local partners' needs.	Office of Comprehensive Services	**TAG continues to coordinate state training opportunities. Preparations for CAFAS refresher training have begun. Model UM plan posted to assist localities with service planning, negotiations. Model Plan utilizes local government's "best practices".**
Development of a standardized provider contract to be used statewide with allowance for addendums by individual localities.	Assemble a group of diverse stakeholders	Office of Comprehensive Services	**Workgroup comprised of private providers, local governments and state agency representatives completed contract development; Posted on CSA web site June 2003**
Provide for "unbundling" of services.	To be done in conjunction or parallel effort with the item related to standardized contracting.	Office of Comprehensive Services	**Workgroup is concentrating initial efforts on maximizing federal funding opportunities. Coordinating service unbundling effort with the DSS federal maximization group. DMAS is coordinating with expansion efforts of residential and case management services.**
Continue use of the CAFAS™ instrument with training noted above.	Notify localities of change to the 8 scale CAFAS.	Office of Comprehensive Services	**Changed to the 8 scale CAFAS accomplished with implementation of the CSA data set**
Evaluation of an alternative to the CAFAS™	Develop an evaluative process	Secretary of Health and Human Services Designee	**Any changes to be implemented during the next biennium. OCS has begun an informal review of alternatives to the CAFAS for future consideration of an advisory group.**

A Blueprint For Change In CSA Status As of June 30, 2003			
Action	**Next Step(s)**	**Lead Responsibility**	**Status**
LONG TERM-HIGH PRIORITY			
Consider creating an efficiency incentive related to the base allocation.	Work with local representatives to complete a systemic study of the allocation formula	Office of Comprehensive Services	**Work has not as of yet begun - Will be highly dependent on budgetary constraints**
Enhancement of Service Fee Directory to enable localities to become informed purchasers of service…link to licensing information.	Work with technical experts and local representatives to develop the necessary system changes	Office of Comprehensive Services	**Directory has been enhanced to provide direct linkage to the DSS Directory of Children's Residential Services (Interdepartmental Licensure), DMAS residential and treatment foster care providers. Will look to other licensing agencies for additional links.**
Expansion of the project related to coordinated collection of information among state agencies to further explore and resolve issues related to the technical processes.	Office of SHHR to form a group of experts to carry this project forward. It is anticipated that the group comprised primarily of state agency MIS Directors will continue with expanded membership.	Secretary of Health and Human Services Designee	**SHHR IT workgroup formed to resolve technical issues regarding data collection. With the interface of the CSA data set with the DSS Data Warehouse, began preliminary work on the framework for consolidating state agency collection of child specific data**
On-going review of forecasting capabilities, particularly as improved data becomes available through the project discussed above, in conjunction with the six year financial plan.	The chair of the task group that considered caseloads, service needs and costs will be asked to serve as a resource to the group considering technical processes. In turn, DPB can be kept apprised of changes as they occur.	Department of Planning and Budget	**Included within the scope of the CSA data set implementation is analyzing child specific cost and service information. OCS is developing internal reports to analyze locality child specific data from the CSA data set for forecasting, policy and planning purposes.**

A Blueprint For Change In CSA Status As of June 30, 2003			
Action	**Next Step(s)**	**Lead Responsibility**	**Status**
LONG TERM-HIGH PRIORITY cont.			
Study of options existing in managed care technologies, which are appropriate to Virginia's system of care, to assist with the management of CSA. To include issues related to evaluation and monitoring.	Office of SHHR to form a group of experts to carry this project forward.	Secretary of Health and Human Services Designee	A care management advisory group met to discuss managed care technologies applicable to CSA. In addition, two meeting have been held with a third one planned with local governments to review cost and quality of care strategies applicable to CSA.